

Colorado Limited Gaming Control Commission

Minutes of Public Session

May 19, 2022

PUBLIC SESSION

I. Call to Order

The May 19, 2022, meeting of the Colorado Limited Gaming Control Commission was called to order by Chair Nathan at approximately 9:20 a.m. at 1707 Cole Blvd., Suite 300, Lakewood, CO and via Cisco Webex video conference. Commissioners Armstrong (via Cisco Webex), Coleman, Davis, and Landaveri were present and a quorum existed.

Chair Nathan welcomed members of the Southern Ute Division of Gaming and Commission. Jackie Budd, Director; Ken Clarke, Lead Investigator; Jim Holle, Gaming Regulation Specialist; Gaming Commissioner Edward Box III (Chairman); Gaming Commissioner Byron Frost (V-Chairman); and Gaming Commissioner Andrea Quintana were introduced.

Officials & Administrators in Attendance

Richard Nathan, Chair
Justin Davis, Vice-Chair
Patsy Landaveri, Commissioner
Shawn Coleman, Commissioner
Kevin Armstrong, Commissioner via Cisco Webex
Cory Amend, Senior Director, Specialized Business Group
Dan Hartman, Director
Kenya Collins, Director of Administration via Cisco Webex
Kirsten Gregg, Chief of Investigations
Matt Heap, Chief of Sports Betting Investigations
Torrey Samson, Assistant Attorney General
Bradford Jones, Senior Assistant Attorney General
Paul Hogan, Chief Auditor
Suzanne Karrer, Communications Manager
John Madruga, Agent in Charge, Background Unit
Brett Buckingham, Agent in Charge, Sports Betting
Breanne Nolan, Assistant to the Director, Secretary to the Commission

EXECUTIVE SESSION

The Commission voted unanimously to go into Executive Session pursuant to sections 24-6-402(3)(a)(III), 44-30-521(1)(a), 44-30-526(1)(c), 44-30-526(1)(d), and 44-30-1507 of the Colorado Revised Statutes to review confidential background licensing reports from the Division of Gaming that were scheduled for consideration in the Public Session and auditing procedures.

PUBLIC SESSION

The Public Session was called back to order at 10:07 a.m.

II. Approval of Licensing Actions

The Commission voted unanimously to approve the renewal of the Retail and Master Licenses for G Investments, LLC d/b/a Colorado Grande Hotel and Casino. The Retail and Master Licenses will expire two years from the current dates of expiration.

The issuance of the above Master license did not concurrently grant approval to entities or individuals with whom this licensee has entered into, or considered entering into contracts for sports betting operations or internet sports betting operations; nor did it preclude any entities or individuals from being called forward by the Division to conduct a comprehensive background investigation regarding their suitability to operate in Colorado.

The Commission voted unanimously to approve the Transfer and Renewal of the Master Licenses for G.F. Gaming Corporation d/b/a The Famous Bonanza Casino and G.F. Gaming Corporation d/b/a Easy Street Casino. The Master Licenses will expire on January 31, 2024.

The issuance of the above Master licenses did not concurrently grant approval to entities or individuals with whom these licensees have entered into, or considered entering into contracts for sports betting operations or internet sports betting operations; nor did it preclude any entities or individuals from being called forward by the Division to conduct a comprehensive background investigation regarding their suitability to operate in Colorado.

The Commission voted unanimously to approve the First Retail Licenses for G.F. Gaming Corporation d/b/a The Famous Bonanza Casino and G.F. Gaming Corporation d/b/a Easy Street Casino. The Retail Licenses will expire on January 31, 2024.

The Commission voted unanimously to approve the Reissuance of the Vendor Major Licenses for DECK PRISM SPORTS L.L.C., Amelco UK Limited d/b/a Amelco UK Ltd., and Banach Technology Ltd. These Vendor Major Licenses will expire two years from their current dates of expiration.

The Commission voted unanimously to approve the First Vendor Minor Licenses for: ENTHUSIAST GAMING MEDIA (US) INC.; ADVENTURA INC.; Internet Vikings East, LLC d/b/a Internet Vikings; ACCESSIT GROUP, INC.; CUTSLO MARKETING LTD; Peak Advertising Inc.; Data+Sports, Inc.; 1st Leads Limited; RotoUnderworld; iHeartMedia + Entertainment, Inc.; and Playhill US, Inc. The Vendor Minor Licenses will expire 2 years from their dates of issuance.

The Commission voted unanimously to approve the Renewal of the Vendor Minor Licenses for SportsContentCo, LLC; Denver Sports Betting LLC; FANTASY ADVANTAGE LTD.; SecureTrading Inc.; Apps4 web media Limited; Xtremepush Limited; Sportsbet Media LLC; LocationSmart GeoLocation LLC d/b/a LocationSmart; XLMedia US Inc.; Skrill USA, Inc.; BetterThanYou Inc.; Equinix LLC; Catena Operations Limited; Mark Knight; Capwize, Inc. d/b/a CapWize; Michael Murphy d/b/a Murphy Marketing; OPTIMOVE INC.; Media Players

US LLC; TELECHECK SERVICES, LLC; MARZEN MEDIA LLC; The Trifect Group Pty Ltd d/b/a Total Sports Picks; INTELLR, INC; First Data Merchant Services LLC; Huntington Press, Inc; and Win Daily Inc. The Vendor Minor Licenses will expire 2 years from their current dates of expiration.

III. Opportunity for the Public to Address the Commission

The Chair extended an opportunity for the public to address the Commission. No members of the public came forward to address the Commission.

IV. Consideration of Limited Gaming Financial Statements for March 2022

The Commission voted unanimously to approve the Statement of Gaming Revenues, Gaming Taxes, and Expenditures (unaudited) for the nine months ending on March 31, 2022 and to authorize its distribution.

V. Consideration of Division Sports Betting Financial Statement for March 31 2022

The Commission voted unanimously to approve the Statement of Sports Betting Revenues, Taxes, and Expenditures (unaudited) for the nine months ending on March 31, 2022 and to authorize its distribution.

VI. Review of Supplemental Budget Changes – Sports Betting FY22

Kristi Piazza, Budget Manager, Specialized Business Group gave a presentation on the Supplemental Budget Changes. Discussion was had by the Commission, Ms. Piazza, and Director Hartman.

The Commission voted unanimously to approve the Fiscal Year 2023 Gaming Budget in the amount of \$17,493,914.

The Commission voted unanimously to approve the Fiscal Year 2022 budget appropriation in the amount of \$3,228,675.

VII. Continuation of Rulemaking Hearing on Colorado Gaming Rule 14, Gaming Tax

The Commission voted unanimously to re-open the hearing on Colorado Gaming Rule 14, Gaming Tax.

Paul Hogan, Chief Auditor, was sworn in and submitted a report from the City of Black Hawk regarding Gaming Rule 14, Gaming Tax, into the record. The City of Black Hawk recommended no change be made to the gaming tax rate in fiscal year 2023.

Paul Hogan, Chief Auditor, submitted a report from the City of Central. The City of Central recommended no decrease be made to the gaming tax rate in fiscal year 2023.

Paul Harris, Finance Director, City of Cripple Creek, was sworn in and presented the report on the benefits and impacts of Gaming Tax in Cripple Creek. The City of Cripple Creek

recommended no change to the fiscal year 2023 gaming tax rate. Discussion was had by the Commission and Mr. Harris.

Ray Rears, County Manager, was sworn in and gave a presentation on behalf of Gilpin County. Gilpin County recommended that the tax rate remain unchanged for fiscal year 2023.

Chair Nathan thanked the representatives from the cities and counties that presented in front of the Commission. He commented that presenting directly to the Commission was the best way to communicate any thoughts or concerns the tax regarding tax rate.

Daniel Holmes, Gaming Partner, RubinBrown LLP, gave a presentation on gaming industry performance trends, as well as detailed gaming revenues statistics with regard to earnings and taxes of casinos within Colorado. Discussion was had by Mr. Holmes and the Commission with reference to other states' tax rates in comparison to Colorado.

Sean Demeule, President, Colorado Gaming Association, gave a presentation regarding the state of the gaming industry over fiscal year 2022. The Colorado Gaming Association recommended no change to the tax rate over the next fiscal year.

Executive Session II

The Commission voted unanimously to go into Executive Session pursuant to sections 24-6-402(3)(a)(II) and (III) and 44-30-526(I) and (III) of the Colorado Revised Statutes to discuss confidential tax information of individual casinos and to receive legal advice, if necessary.

PUBLIC SESSION

The Public Session was called back to order at 12:12 p.m.

The Chair extended an opportunity for the public to testify on behalf of Gaming Rule 14, Gaming Tax. No members of the public came forward to testify.

The Commission voted unanimously to close the public comment portion of the rulemaking hearing for Colorado Rule 14, Gaming Tax.

After public deliberation, the Commission voted unanimously to make no change to Colorado Limited Gaming Rule 14, Gaming Tax, for fiscal year 2023.

The Commission voted unanimously to close the rulemaking hearing for Colorado Rule 14, Gaming Tax.

IX. Consideration of Organizational Matters

The Commission approved the minutes from the April 21, 2022 public session of the Colorado Limited Gaming Control Commission.

Cory Amend, Senior Director, Specialized Business Group, thanked the Southern Ute Division of Gaming for their hospitality during the meeting held at their office in April.

Dan Hartman, Director, Division of Gaming welcomed members of the Southern Ute Division of Gaming and Commission. He also congratulated Matt Heap, Deputy Director and Chief of Sports Betting, on his retirement from the State of Colorado and thanked him for all the work he put into the launch of sports betting. Director Hartman briefly detailed the passage of multiple bills in the legislature including the allowance of 18-20 year old individuals to be licensed to work in casinos, a Sunset Bill delegating the Director to approve licensing of certain licenses, and a problem gambling grant program which would allow the Division to appropriate money to those who apply for aide.

XI. Opportunity for the Industry Members to Address the Commission

The Chair gave an opportunity for anyone from the industry to address the Commission regarding any current issues or events.

Joshua Leonor asked if there would be licensing for prop-based fantasy sports licenses under the Fantasy Contests section or if the licenses would be under the Sports Betting section of the Division. Director Hartman asked that Mr. Leonor reach out to have a formal discussion regarding the topic.

Adjournment

The Commission voted unanimously to adjourn the May 19, 2022 meeting of the Colorado Limited Gaming Control Commission at 12:52 p.m.

Breanne Nolan, Secretary to the Colorado Limited Gaming Control Commission